A photograph of three business professionals in a meeting. A woman in a white blazer is in the foreground, looking towards the camera with a slight smile. Behind her, a woman in a dark blazer and a man in a light blazer are also looking towards the camera. They are all smiling and appear to be in a collaborative environment. The background is blurred, suggesting an office setting.

**More Doctors.  
More Personalization.  
More Value.**

**Steven Scott**

Vice President  
Anthem Blue Cross

**Anthem.**   
Health. Join In.<sup>SM</sup>

# The challenge for CalPERS

Four key drivers are making it increasingly hard to manage health care expenditures.



**Rising Health  
Care Costs**



**Unhealthy  
Lifestyles**



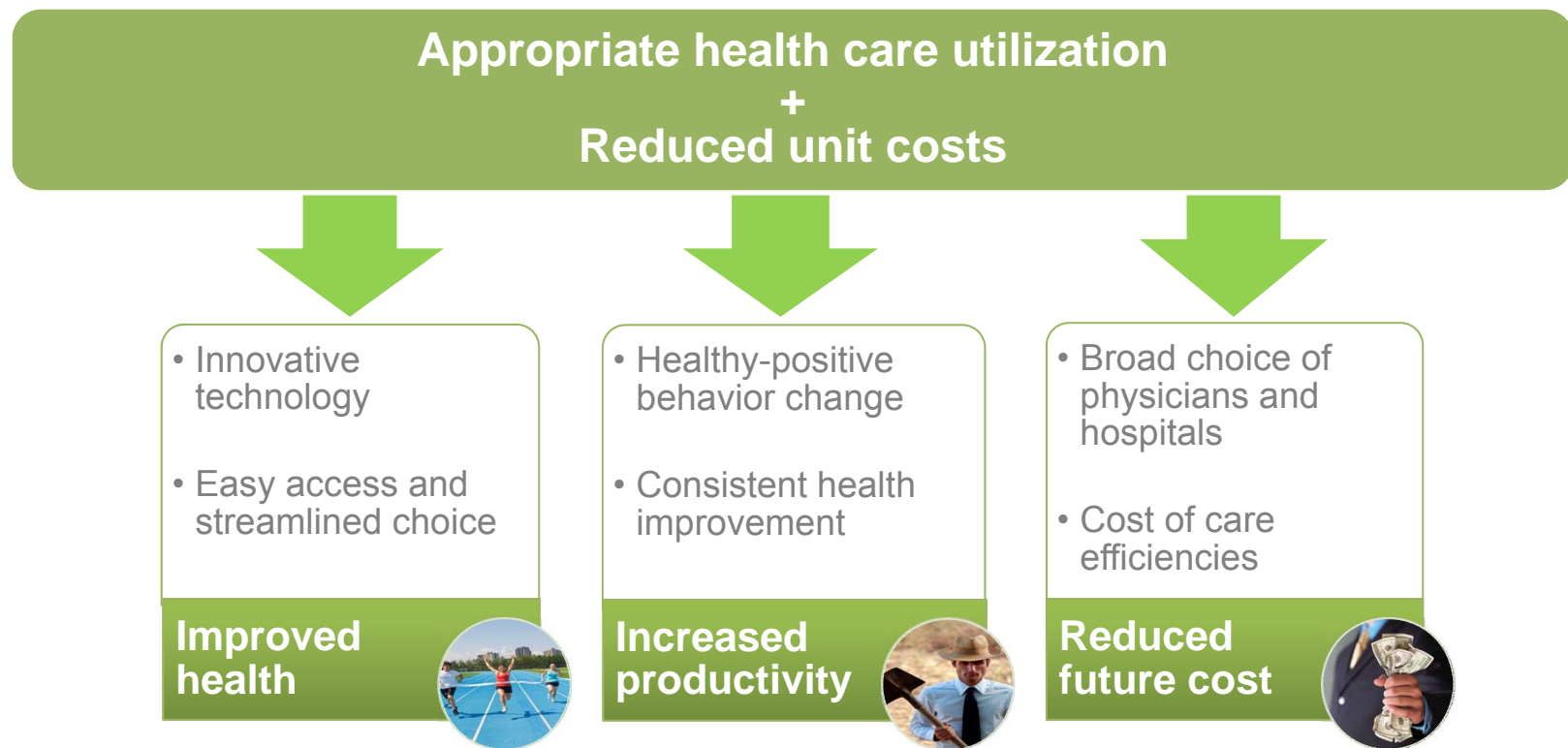
**A Challenging  
Economy**



**An Aging  
Population**

# Partnership delivers value

## Our unique approach to lowering costs and improving health



# Administrative Services Only

**CalPERS PPO is a self-funded plan that assumes the financial risk for providing health care benefits to its members. Anthem provides administrative services only for the CalPERS plan on a fixed fee basis.**

- Contracted services are provided through the administrative agreement with CalPERS.
- Anthem collaborates with CalPERS to introduce innovative services for members.



2010 Plan Year	Medical Total
Billed charges	\$5,734,128,233
Administrative savings including Medicare coordination	\$3,006,105,398
Network Discount Savings	\$1,370,762,810
Member obligation	\$195,420,641
Total paid amount	\$1,161,839,384
<b>PPO Network Negotiated Discounts (percent savings)</b>	<b>50.25%</b>

Member Touch Points	2010 Activity*
Correspondence	37,596
Nurse Reviews	75,272
Microsite Entries	245,348
Customer Service Calls	324,350
Identification Cards	346,000
Disease Management Contacts	758,000
Member Communication (*2011)	788,000
Claims Processed	5,564,638
<b>Member Touch Point Total</b>	<b>8,139,204</b>

## Appropriate utilization delivers Significant health care savings

- Utilization Management
- Case Management
- Behavioral Health Management
- Disease Management

Contracted



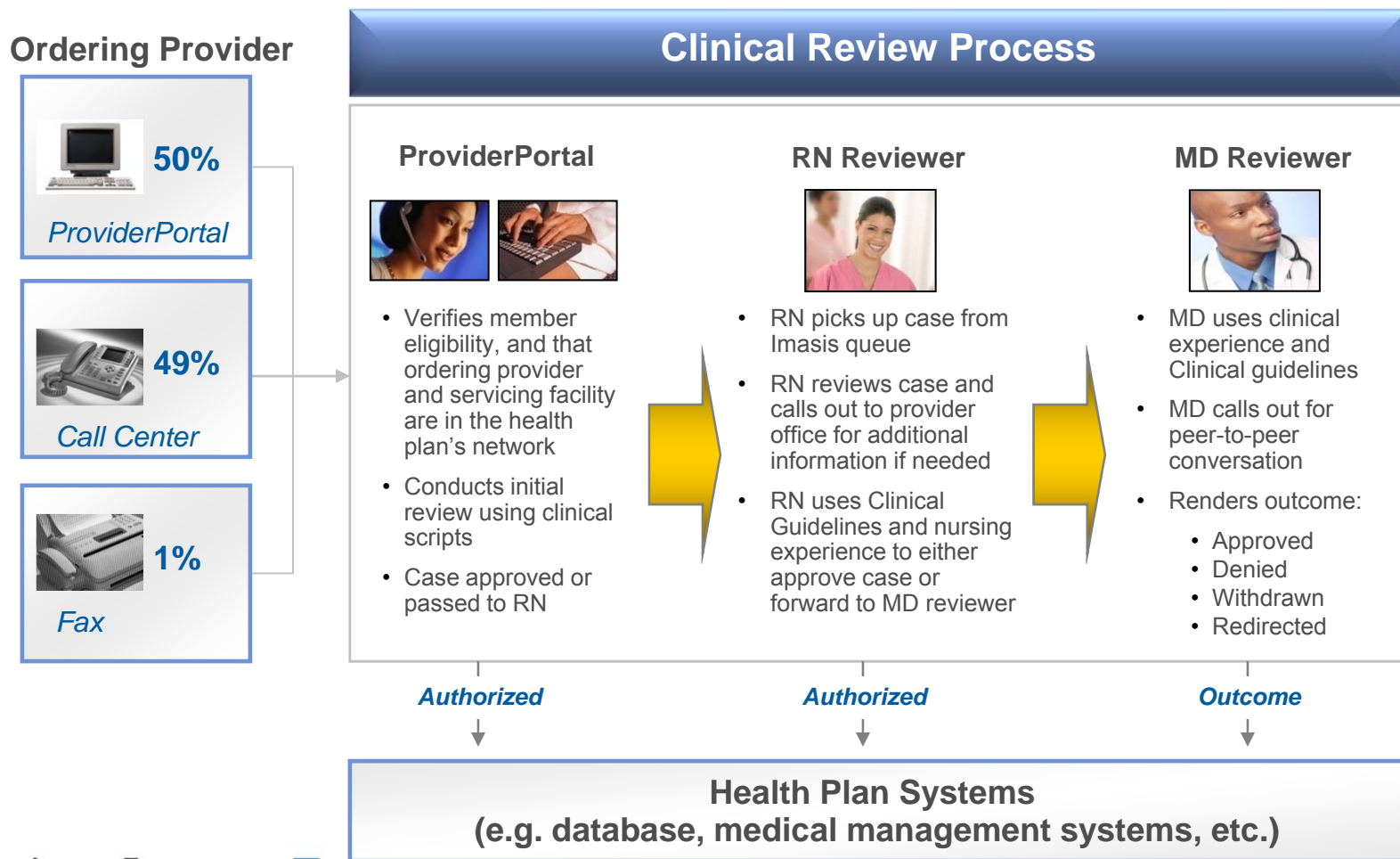
- (AIM) Imaging Management
- Hospitalist
- Neonatal Intensive Care Unit Program
- Emergency Room Mitigation
- Discharge Management
- Spinal Surgery Project

Innovative  
Partnership





# AIM's preauthorization process delivers Efficient review of imaging requests



## Anthem provides accurate and timely benefit adjudication through **CalPERS focused claims management**

- Dedicated CalPERS Unit
- Proprietary Claims System
- Medicare and COB Coordination
- Fraud and Abuse Detection
- Cost Containment and Avoidance Unit

Contracted



- Value Based Purchasing Design
- Value Based Site of Care
- McKesson ClaimXten

Innovative  
partnership



# ClaimXten

## McKesson ClaimsXten™

ClaimsXten is a valuable tool that can help meet these challenges, deliver appropriate outcomes and move Anthem and CalPERS to the next stage of readiness in health care. Additionally, the new software will:

- Improve the accuracy of payment policy application
- Provide enhanced technical functionality
- Improve overall claims management
- Assist with maintaining a consistent payment policy in alignment with state and national mandates

## ClaimXten





## Anthem leads the industry in cutting unit costs through **Strong provider relationships**

- PPO Network
- BlueCard
- Behavioral Health Network
- Urgent Care Centers
- Center of Medical Expertise

Contracted



- High Efficiency PPO Network (PERS Select)
- Narrow Hospital Network
- Integrated Health Model
- Implantable Device Management
- Never Events Policy
- E-Prescribing
- Member Medical Health History
- Pay for Performance
- Patient Safety Initiatives

Innovative  
partnership



# Patient Safety First...

A California partnership for health

*"Patient Safety First* is one of the most challenging and potentially rewarding endeavors ever undertaken in the health care system," said Dr. Eugene Grigsby, president of the National Health Foundation, which verified the initial outcomes of the initiative.

*"It strives to engage California hospitals in learning collaborations with the specific goal of improving patient safety and cost savings for those needing hospitalization."*

# Patient Safety First...

A California partnership for health

The initiative, which brings together more than 160 participating hospitals from across the state, has led to a:

- ventilator associated pneumonia (VAP);

**41 %**  
reduction



- central line blood stream infections (CLBSI);

**25 %**  
reduction



- catheter associated urinary tract infections (CAUTI); and
- a reduction in birth traumas and elective deliveries prior to 39 weeks gestation.

**24 %**  
reduction





**Anthem is engaging and empowering members with personalized programs  
To help reduce the costly demand for health care**

- Member Outreach
- 24/7 NurseLine
- Colorectal Cancer Screening

Contracted



- Telemedicine
- MyHealth Advantage
- Anthem Care Comparison
- Ambulatory Intensive Care Unit
- Depression Management
- Worksite Wellness

Innovative  
Partnership





# MyHealth Note

Provides targeted and individualized messaging to members that drives behavior change.

Report of: Jane W. Public  
Date of Birth: February 29, 1966  
MBIN Ref #: 00123456-01  
Group #: GRX 123678

### Your Medical and Pharmacy Claims

Your recent medical and pharmacy claims as of July 23, 2008

Date	Service / Prescription	Qty	Days	Doctor/Prescriber(s)
<b>Visits</b>				
05/15/08	Office Visit	--	--	Lynn, Samuel F.
05/17/08	Office Visit	--	--	Wilson, Michelle L.
05/15/08	Office Visit	--	--	Lynn, Samuel F.
04/13/08	Office Visit	--	--	Jones, Terry M.
02/03/08	Office Visit	--	--	Wilson, Michelle L.
<b>Prescriptions</b>				
05/05/08	Prilosec - 500 mg	30	30	Jones, Terry M.
03/28/08	Accupril - 20 mg	60	30	Lynn, Samuel F.
03/23/08	Prilosec - 500 mg	30	30	Wilson, Michelle L.
02/18/08	Accupril - 20 mg	60	30	Lynn, Samuel F.
02/12/08	Prilosec - 500 mg	30	30	Lynn, Samuel F.
02/10/08	Lipitor - 20 mg	30	30	Lynn, Samuel F.
01/15/08	Lipitor - 20 mg	30	30	Lynn, Samuel F.
01/13/08	Accupril - 20 mg	60	30	Lynn, Samuel F.
01/05/08	Prilosec - 500 mg	30	30	Lynn, Samuel F.
<b>Other Medical Services</b>				
05/05/08	Cholesterol Panel	--	--	LabCorp Laboratories
03/28/08	Ambulatory ER Visit	--	--	St. Mary's Hospital ER
02/04/08	Chest CT Scan	--	--	Radiology Assoc. - BPL
01/15/08	Complete Blood Count	--	--	LabCorp Laboratories

\* Doctor/Prescriber listed may be another name from that medical office/practice.

### Suggestions for You

Suggestions are based on your available claims as of July 23, 2008

- Keep taking LIPITOR as directed. [100%]**  
Your prescription claims suggest you recently stopped taking LIPITOR. According to medical guidelines, this drug can help lower your risk of a heart attack. If you think your medication is not helping you, or if you are worried about cost or side effects, talk to your doctor soon. Unless your doctor stopped your medication, keep taking LIPITOR as directed until you talk to your doctor.
- Ask your doctor about a mammogram. [100%]**  
Your medical claims suggest you should have a mammogram. Cancer guidelines recommend you have a mammogram every year to look for breast cancer. Finding breast cancer early makes it easier to treat and cure. If you haven't had this test recently, ask your doctor about it soon.
- Save money by switching from Prilosec. [66%]**  
Your prescription claims suggest you fill Prilosec. You can save money if you switch to omeprazole, the generic form of Prilosec. The FDA suggests omeprazole is as safe and as effective as Prilosec. If you have not tried omeprazole, ask your doctor if it is safe for you.
- Know the signs of depression. [100%]**  
Symptoms of depression include trouble sleeping or oversleeping, eating more or less than normal, and having trouble concentrating or doing everyday activities. If you have symptoms of depression that last for more than two weeks, medical guidelines recommend you see your doctor. Depression should be diagnosed by a doctor and treated with medications and therapy.

From HARVARD MEDICAL SCHOOL, learn more information about each of the suggestions for you shown above by visiting <http://www.anthem.com/myhealthnote> and entering the shortid # shown at the end of each message in the L1.

FOR PRESENTATION PURPOSES ONLY

Full Member ID data: to assist Physician who makes a copy for the patient's file.

Most recent claims, fully described, for each service/Rx.

Messages selected for members, based on their 24-month claims history and current benefits.

Web-based additional info for each message, from Harvard Medical School.

## Better managed care, improved health outcomes

# Reduced health care costs

**We proactively engage your members in leading healthier lives through their doctors, their workplace and their community**

Anthem	Providers	CalPERS	Community
 <p><b>Members</b> We empower them to pursue wellness with a broad range of personalized, healthstage-based programs</p>			
We deliver evidence- and value-based programs and solutions that help check rising costs.	We guide members toward positive health actions through our strong connections with physicians and hospitals.	We offer integrated solutions that do more than pay for care; they can save you money, plus prevent and reduce the need for care by helping your members stay healthy.	We use the Member Health Index to measure the improved health of all members and show our commitment to transparency. In fact, associate compensation is tied to improving results.



# We give members the tools to help themselves and Pursue better health management



# Anthem is continually innovating to keep improving Health care performance and cost-efficiencies

## Empowering Members such as:

- Helping members find ER alternatives with Google maps
- Improving interactions with providers through technology
- Providing alternatives and cost information for CTs and MRIs
- Increased transparency



## Supporting Doctors such as:

- Rewarding doctors for quality, safety and value—not volume
- Accountable Care Organizations
- Ambulatory Intensive Care Unit
- Leveraging IBM Watson Technology for faster diagnoses